

As part of the consideration for this Agreement, and in the mutual interest of maintaining amicable relations between governmental entities operating within the same sphere, the District waives the right to sue the City for damages for claims arising from interruption of services.

ARTICLE VIII Developer Provisions

Section 8.01. Developer Indemnity.

THE DEVELOPER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL CLAIMS (OTHER THAN CLAIMS FOR BREACH OF THIS AGREEMENT) ASSERTED BY THE DEVELOPER AGAINST THE CITY IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT WITHOUT REGARD TO CAUSES OR THE BASIS FOR SUCH CLAIMS, EXPRESSLY INCLUDING THE NEGLIGENCE OF THE CITY.

Section 8.02. City Legal Fees.

The Developer agrees to pay the City's reasonable legal fees incurred in connection with the negotiation and drafting of this Agreement.

Section 8.03. Certain Road Construction.

In order to provide major thoroughfare access to the development and as a condition of City acceptance of the first section of lots south of West League City Parkway, the Developer shall design and construct: (i) the portion of the extension (including all four lanes) of League City Parkway in the location designated on **Exhibit "B"**; and (ii) a four-lane parkway into the development divided by a customary median, as designated as "Westleigh Blvd" on **Exhibit "B"**. Developer hereby agrees to dedicate the necessary right of way owned by Developer within the boundaries of the District for completion of League City Parkway and Westleigh Boulevard at no cost to the City; provided, however, that the City will be responsible for obtaining (via purchase or by exercise of eminent domain) any necessary right of way not otherwise owned by Developer for completion of League City Parkway contemplated in this Section both inside and outside the boundaries of the District. Developer agrees to promptly pursue obtaining the necessary right of way not otherwise owned by Developer in order to proceed with construction of the League City Parkway extension. In the event that Developer is unable to secure the necessary property rights following good faith efforts to negotiate with the current property owner, the City agrees to commence and diligently pursue the eminent domain process within forty-five (45) days following receipt of written notice from the Developer.

In addition to the foregoing, the Developer agrees to design and construct the portion of the extension of League City Parkway in the location designated on **Exhibit "C"** outside of the boundaries of the District (the "Additional Extension Project") simultaneously with Developer's design and construction of the League City Parkway

extension reflected on **Exhibit "B."** The Additional Extension Project will include the additional two-lanes necessary to make League City Parkway four lanes wide. The Parties recognize and understand that the portion of the Additional Extension Project traversing Magnolia Creek may experience timing delays impacting its substantial completion date due to the longer lead times necessary in acquiring required contract materials. Therefore, notwithstanding anything in this Section 8.03 to the contrary, the City agrees that so long as the Developer has awarded the construction contract for the League City Parkway improvements, including the Additional Extension Project, and all portions of the improvements other than the portion traversing Magnolia Creek are substantially complete, the City will allow permits for Section 1 of the development to be issued so long as the other City requirements for permit issuance are met.

In consideration of the commitment to complete the road improvements set forth herein and resulting completion thereof, the Parties agree to enter into a separate Development Agreement (the "Development Agreement") whereby the City shall award Impact Fee Credit to Developer equal to the costs associated with design and construction of the Additional Extension Project in the location designated on **Exhibit "C."** The Parties hereby agree that the Development Agreement shall contain the following terms and conditions regarding the funding, design, and completion of the Additional Extension Project. The City will confirm that the existing storm sewer system constructed in the median of League City Parkway is functional and does not require additional rehabilitation, repair or other work in conjunction with the Additional Extension Project. At such time the builders within the District obtain the required building permits, the roadway portion of the City's impact fees (currently \$4,880 per home) will be credited against Developer's cost to design and construct the Additional Extension Project. If the actual cost of the design and construction of the Additional Extension Project is greater than \$1,986,160, the City will reimburse the Developer for any overage from the City's roadway impact fee funds within sixty (60) days of completion and certification of costs. To the extent that remaining road impact fees to be generated by development within the District remain following completion of the Additional Extension Project, the City agrees that such amounts shall be credited against Developer's cost to design and construct the portion of League City Parkway as shown on **Exhibit "B."** The portion of the Additional Extension Project from Maple Leaf Drive to Westover Park Avenue will be constructed concurrently with the Section 1 improvements for the District. However, if the Developer chooses to develop a model home park of less than 20 lots as Section 1, then the construction of this first segment of the Additional Extension Project shall coincide with the development of Section 2 (or the first section of production lots within the District). The portion of the Additional Extension Project from Westover Park Avenue to the current terminus east of Magnolia Creek will be constructed concurrently with the Section of the District that causes the total lot count within the community to exceed 150 lots. Improvements within the median and south side right-of-way behind the curb shall be limited limited to restoring grading and hydromulch seeding of disturbed areas (no irrigation, sidewalks, trees, or other landscaping improvements). In conjunction with the Additional Extension Project, the City will confirm that no environmental approvals are

required for working within the Mag Creek waterway, as well as secure and fund (as necessary via purchase or by exercise of eminent domain) all of the required real estate rights/rights of way not otherwise owned by the Developer needed in order to complete the Additional Extension Project.

In addition to the other road improvements set for herein, in order to allow for a second point of entry into the development from League City Parkway and as a condition of approval of City acceptance for any section that causes the total number of developed lots within the District to exceed 150, the Developer shall design and construct a road upon the McFarland Drive Right of Way along the eastern boundary of the development, as designated as “McFarland Drive” on **Exhibit “B”** (“McFarland Drive”). Following the completion of such construction, the Developer shall formally dedicate McFarland Drive to the City of League City.

The parties shall collaborate to complete all of the road construction contemplated in this Section 8.03 in a manner that does not materially interfere with or delay the progress of construction of the development. Furthermore, the parties agree that the road construction contemplated in this Section 8.03 must conform with the City’s standards and specifications for road construction.

Section 8.04. Stormwater Matters

The Developer shall cause the construction of an outfall channel at the point of termination in the southeastern portion of the southernmost storm water detention facility in the development, as designated as “Outfall” on **Exhibit “B”**. Furthermore, the Developer shall dedicate an easement or fee parcel, as appropriate and in any event at least 200 feet in width, to the south of and parallel with the southern boundary of the development, in order to allow for the future westward extension of Magnolia Creek, designated on **Exhibit “B”**, by third parties.

Section 8.05. Park Dedication Requirements

Consistent with the provisions set forth in the City’s Parks Ordinance (the “Parks Ordinance”), the City requires certain park and recreation areas be dedicated by the developer during the development of the District. In order to provide planning certainty and ensure that the City’s goal of designating parks and open space throughout the City is satisfied, the City and the Developer desire to designate the areas that will fulfill the City’s acreage requirements in the Parks Ordinance. The City hereby agrees that the park and recreation areas set forth on **Exhibit “D”** attached hereto meet or exceed the City’s requirements set forth in the Parks Ordinance, including but not limited to, requirements related to acreage thresholds and intended recreational use. Similarly, Developer hereby agrees to dedicate the property designated on **Exhibit “D”** in order to fulfill the Parks Ordinance requirements. In the event that the Developer desires to materially alter the property to be dedicated pursuant to this Section, the Developer shall obtain approval of such substitution from the City’s Parks Board.

Section 8.06. Restrictive Covenants